

COMMODITY OUTLOOK

CORN - WHEAT - SOYBEANS

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WORLD WHEAT COMMENTS

PRODUCTION

1989 RECORD

1990 - NEW RECORD

STOCKS

END 89/90 YEAR

LOWEST SINCE 81/82

STOCKS-USE RATIO - 20%

LOWEST IN 30 YEARS

END 90/91

LIKELY TO INCREASE

SOVIET / CHINESE / E. EUROPE

IMPORTS REMAIN STRONG

INCREASED COMPETITION FOR EXPORTS

CANADA / ARGENTINA / AUSTRALIA / W.EUROPE

U.S. SHARE DOWN

U.S. WHEAT COMMENTS : 89/90

SUPPLIES

DOWN 11% FROM A YEAR AGO
DOWN 31% FROM RECORD 86/87
LOWEST IN 15 YEARS

PRODUCTION

UP 12 % FROM A YEAR AGO
LOWEST SINCE 1978 (EXCEPT '88)

EXPORTS

7 % BELOW PREVIOUS YEAR
USSR/CHINA IMPORTS DOWN 10-20%
MARKET SHARE DECLINE FROM 39 TO 36%

ENDING STOCKS

DOWN 39% FROM A YEAR AGO
23 % OF 85/86 RECORD

SEASON AVERAGE PRICE -- \$3.80-3.90

U.S. WHEAT COMMENTS : 90/91

PRODUCTION

5% OVERPLANT PROVISION

YIELD REBOUND

UP 25%

SUPPLIES

STOCKPILES REDUCED

UP 10%

USE/EXPORTS

UP SLIGHTLY

INCREASE NOT ENOUGH TO ABSORB CROP

ENDING STOCKS

UP 5 TO 8%

SEASON AVERAGE PRICE -- \$3.35-3.65

DEMAND FUNDAMENTALS

'89-'90 U.S. CORN

EXPORTS -- UP 289 MILLION BU.

NON-FEED USE -- UP 60 MILLION BU.

FEED USE -- UP 443 MILLION BU

TOTAL DEMAND -- UP 792 MILLION BU.

SUPPLY FUNDAMENTALS

'89-'90 U.S. CORN

BEG. STOCKS -- DOWN 2,329 MILLION BU.

PRODUCTION -- UP 2,598 MILLION BU.

IMPORTS -- NO CHANGE

TOTAL SUPPLY -- UP 269 MILLION BU.

PRICE FUNDAMENTALS

'89-'90 U.S. CORN

ENDING STOCKS	--	DOWN 495 MILLION BU.
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STOCKS/USE RATIO	--	18%
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PRICE RANGE	--	\$2.30-2.40
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AVERAGE PRICE	--	\$2.35
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PROSPECTS : 1990 CORN CROP

INCREASED PRODUCTION

REDUCED ENROLLMENT IN PROGRAM
SMALLER 0/92 SIGN-UP
FEWER 0/25 ACRES
MORE OF PERMITTED ACRES PLANTED
PLANTED ACRES UP 2.7 MILLION ACRES
YIELDS UP 4-6 BUSHELS
PRODUCTION UP 500-800 MILLION

INCREASED USE/EXPORTS

INCREASE NOT ENOUGH TO ABSORB CROP

ENDING STOCKS

UP SIGNIFICANTLY (300-500 MILLION)

SEASON AVERAGE PRICE -- \$2.00-2.25

DEMAND FUNDAMENTALS

'89-'90 U.S. SOYBEANS

EXPORTS -- UP 65 MILLION BU.

DOMESTIC USE -- UP 67 MILLION BU.

TOTAL DEMAND -- UP 132 MILLION BU.

SUPPLY FUNDAMENTALS

'89-'90 U.S. SOYBEANS

BEGIN STOCKS -- DOWN 120 MILLION BU.

PRODUCTION -- UP 378 MILLION BU.

TOTAL SUPPLY -- UP 258 MILLION BU.

PRICE FUNDAMENTALS

'89-'90 SOYBEANS

ENDING STOCKS -- UP 126 MILLION BU.

STOCKS/USE RATIO -- 21%

PRICE RANGE -- \$5.60-5.80

AVERAGE PRICE -- \$5.70

PROSPECTS : 1990 SOY CROP

SUPPLY

PRODUCTION DOWN 2%
2.5 MILLION FEWER ACRES
1 BU. YIELD INCREASE
CARRYIN UP 92%
LARGEST SINCE 86-87

DEMAND

EXPORTS STEADY AT BEST
USE DOWN SLIGHTLY

ENDING STOCKS

UP 48% (150-160 MILLION)
LARGEST SINCE 85-86 (103 DAY SUPPLY)
28% STOCKS/USE RATIO

SEASON AVERAGE PRICE -- \$5.00-5.50

